

**Opening Statement of the Honorable Michael C. Burgess, M.D.
Subcommittee on Commerce, Manufacturing, and Trade
Hearing on “Daily Fantasy Sports: Issues and Perspectives”
May 11, 2016**

(As Prepared for Delivery)

At the outset, I would like to thank the Ranking Member of the full committee, Representative Pallone, for his fall letter requesting this hearing.

The panel of witnesses here today will discuss the issues facing the daily fantasy sports industry as well as the consumer protection features available in the marketplace.

There have been many headlines, and advertisements, over the last year introducing many fans to these new contests – some of which can be played for pennies while others are for substantial sums of money. Just as the proliferation of the Internet and mobile devices have given consumers access to personalized entertainment on the go like Netflix, Words with Friends, and Candy Crush, they have also supported the growth of fantasy sports contests.

Between 1994 and 2003, the number of fantasy sports players jumped from around 2 million players to 15 million players. In 2015, almost 60 million people played fantasy sports.

As fun and easy as the games are advertised to be, the issues involved are actually more complicated than they might appear at first glance. This hearing is a prime opportunity for stakeholders to discuss the many aspects of this complicated issue.

Consumer protection is a critical component of this conversation. Not only should consumers have a clear understanding of the rules and risks for a particular contest, but the integrity of the game depends on consumers getting what they paid for.

There has been a significant amount of state activity in this area in the last few months. I am interested in hearing from the witnesses how the state regulatory responses have impacted the marketplace. Also, I have a letter from the Attorney General of my home state of Texas to include in the record.

From the states that have required the daily fantasy sites to meet online gambling requirements, to the states that have passed legislation explicitly legalizing fantasy games—it is critical to understand the role of the states and what impact their actions have on interstate commerce.

Consistently during my term as subcommittee Chairman, I have focused on the struggles small businesses face in the regulatory environment. I believe that small businesses are vital to our economy and understanding how they fit into this industry that is reportedly dominated by a few large actors is a critical piece of the puzzle.

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